

M/031/003

Unico Incorporated
P. O. Box 777
Magalia, CA 95954
801-361-4242 fax 801-796-0257

July 22, 2004

RECEIVED

JUL 22 2004

DIV OF OIL GAS & MINING

To: State of Utah
Department of Natural Resources
Division of Oil, Gas and Mining
c/o Darren R. Haddock
Permit Supervisor
Minerals Regulatory Program

Re: Status of Mining Permit, Unico Incorporated, Deer Trail Mine, M/031/003, Piute County, Utah

Dear Mr. Haddock,

After a face to face discussion with you and Doug Jensen at your office this morning, July 22, 2004, it was suggested that I follow-up our meeting with a letter as it pertained to your July 19, 2004 letter to us. Wherein we were informed that you were advised that a significant revision to our application was being made. We soon found out that one of the consultants that we have hired inadvertently advised you without our knowledge, had we had known his intent we would have advised him otherwise. Unico is very desirous for the Division of Oil, Gas and Mining to finish the approval of our Large Mine permit application as it has been submitted, and subsequently altered after four reviews. We apologize for the inconvenience that this may have caused you.

We feel it is very important to finalize the approval of our application as soon as possible due the opportunities that have come to our company recently. We are prepared to secure this permit with the amount of any additional surety that may be required. Please don't hesitate to call if you should have any questions or concerns at 801-361-4242. We will be in contact with your office on Monday the 26th of July.

Sincerely,

W. Dan Proctor
Unico Incorporated

cc: Ray Brown

Mark Lopez

Steve Winslow, USDA Forest Service